ATTACHMENT 4.19-B

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Payments will be made only to medical providers who sign agreements with the State under which the provider agrees: (a) to accept as payment in full the amounts paid in accordance with the payment structures of the State; (b) to keep such records as are necessary to fully disclose the extent of the services provided to individuals receiving assistance under the State Plan; and (c) to furnish the State Agency with such information, regarding any payments claimed by such person or institution for services provided under the State Plan, as the State Agency may request from time to time.

Payment for services required to care for an individual in his home, including all services that would not be paid directly if the person was institutionalized, will be denied or discontinued when the payment level for a 90 day period exceeds 135% of the cost of appropriate institutional care. Payment may be made or continued if it can be documented that the costs of home services will be reduced to less than 135% of appropriate institutional care within 60 days.

Whenever it is indicated that payment is made at Medicare or Title XVIII payment levels the payment amount is equal to 100% of Medicare allowable charges.

Following is a description of the policy and the methods used in establishing payment rates for each type of care and service, other than inpatient hospital or nursing home services, included in the State Plan. In no instance will the amount of payment under the provisions of this attachment exceed the payment made by the general public for identical services.

1. Inpatient Hospital Services

See Attachment 4.19-A

2a. Outpatient Hospital Services

Payment to hospitals with more than 30 medicaid discharges **during the hospital's fiscal year ending after June 30, 1993 and before July 1, 1994** is on the basis of reasonable cost computed on the same basis as under Title XVIII with the following exceptions:

1. Costs associated with the certified registered nurse anesthetist services will be included as allowable costs.
2. All capital and education costs incurred for outpatient services will be included as allowable costs.

The remaining instate hospitals will be reimbursed at 90% of billed charges.

Out of state hospitals will be reimbursed on a prospective basis at a rate equal to the average interim payment made to instate hospitals with more than 30 medicaid discharges **during the instate hospital's fiscal year ending after June 30, 1993 and before July 1, 1994.**

2b. Rural Health Clinics

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Payment for rural health clinic services will be made at an all-inclusive rate for each visit for covered services. The department shall determine the rate of payment for the visit following the Medicare Rural Health Clinic and Federally Qualified Health Center Manual (HCFA Pub .27)

2c. Federal Qualified Health Centers

FQHCs will be reimbursed on a per visit basis following the Medicare retrospective cost reimbursement principles relating to Rural Health Clinics. Allowable costs for ambulatory services will be determined following Medicare reasonable cost guidelines.

3. Other Lab and X-Ray

See physician services - section 5 of this attachment.

4. **Specialized Surgical Hospitals**

Specialized Surgical Hospitals will be reimbursed on the same basis as ambulatory surgical centers, as determined by the department, for outpatient services.

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

4a. Nursing Facility Services

See Attachment 4.19D.

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

4b. Early and Periodic Screening, Diagnosis and Treatment (EPSDT)

a. Screening services. Payment for screening services will follow the schedule plus payment for any laboratory tests performed and any immunizations given:

(1)	Complete comprehensive screen	$33.00
(2)	Partial screens:	
	(a) Physical development	$ 5.00
	(b) Mental health development	$ 5.00
	(c) Unclothed physical examination	$15.00
	(d) Health education, including anticipatory guidance	$ 5.00

b. Laboratory tests. Payment will follow section 5 of this attachment.

c. Immunizations. Payment will be based on a fee schedule established by the State Agency unless the serum was provided free by the South Dakota Department of Health in which case payment will be $7.00 per immunization.

d. Dental services. Payment will follow the provisions of section 10 of this attachment.

e. Vision services. Payment will be based on a fee schedule established by the State Agency. This fee schedule covers all payable procedures and has been negotiated with representatives of the Optometric Association in South Dakota.

d. Psychologist services. Payment will follow the provisions of section 5 of this attachment.

e. Nutrition items. Payment will be based on a fee schedule developed by the state agency following a review of the average wholesale cost of various groups of items.

f. Home health services. Payment will follow the provisions of section 7a,b,d of this attachment.

g. Medical equipment. Payment will follow the provisions of section 7c of this attachment.

h. Inpatient psychiatric hospital services. Payment will follow the provisions of attachment 4.19-A.

i. Orthodontic services. Payment will follow the provisions of section 10 of this attachment.

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j. Chemical dependency treatment services. Payment will be at the lower of the provider's usual and customary charge for the service provided and the rates established for the indigent program by the State Department of Human Services.

k. Private duty nursing. Payment will be at the hourly rate established for extended nursing services under section 7a of this attachment.

l. School district services. The South Dakota Department of Social Services establishes fees for school district services following guidelines set in state statute. Fees are reviewed periodically and may vary for each school district. Payment will be at the fee set for a given provider as of the date of service.

m. Prescription drugs. Payment will be made following the criteria established in section 12a.

n. Occupational therapy. Payment will be made following criteria established in section 5 of this attachment.

o. Mental health services provided in the home. Payment will be made following criteria established in section 9e of this attachment.

p. Residential treatment services. Payment will be a prospective rate established following the reasonable and allowable cost guidelines under the Medicare program.

q. Psychiatric facility inpatient services. Payment will be a prospective rate established following the reasonable and allowable cost guidelines under the Medicare Program.

Any other medical or remedial care. Payment will be made following criteria established in section 5 of this attachment.

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

5a. Physician Services

a. Services other than clinical diagnostic laboratory tests.

(1) Payment will be the lower of billed charges or a fee schedule adopted by the State Agency for procedures provided 10 or more times in the base year without a procedure modifier indicated on the claim. The fee schedule was set and will be updated, following consultation with the South Dakota Medical Association, as authorized by the South Dakota Legislature.

(2) Payment for procedures provided less than ten times in the base year will be the amount allowed under the Medicare program effective January 1, 1993. If there is no Medicare fee established the payment will be 40% of billed charges.

(3) Supplies will be paid at 90% of the provider's usual and customary charge.

b. Anesthesia services. Payment will be allowed using a $16 unit value multiplied by a total of the base units set for the procedure plus time units using a 15 minute unit value.

c. Clinical diagnostic laboratory tests.

(1) Payment will be the lower of billed charges or the fee set by Medicare.
(2) Tests for which Medicare has not established a fee will be paid at 60% of billed charges.

d. Deductible and co-insurance charges under the Medicare program will be paid at the amount indicated by the Medicare carrier.

e. Payment levels for procedures reported with a procedure modifier may be paid at a lower or higher amount than the fee established in "a" or "c" above, depending on the modifier used by the provider when submitting the claim.

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5b. Medical Services by a Dentist

See Section 5a of this attachment.

ATTACHMENT 4.19-B
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

6a. Podiatrist Services

Payment will be made following the provisions of section 5 of this attachment.

ATTACHMENT 4.19-B
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

6b. Optometrist Services

Payment will be based on a fee schedule established by the state agency. This fee schedule covers all payable procedures and has been negotiated with representatives of the Optometric Association in South Dakota.

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6c. Chiropratic Services

Payment for manual manipulation of the spine will be at a fee established in negotiation with representatives of the Chiropractic Association and intermittently adjusted as approved by the State Legislature during the appropriation process.